

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Gas Company Regarding Year Seven (2000-2001) Under Its Experimental Gas Cost Incentive Mechanism and Related Gas Supply Matters. (U 904 G)

Application 01-06-027
(Filed June 15, 2001)

ADMINISTRATIVE LAW JUDGE'S RULING

Southern California Gas Company (SoCalGas) filed the above-captioned application on June 15, 2001. The application states that SoCalGas is “(1) provid[ing] its report on gas supply and storage operations for the twelve months ending March 31, 2001 (‘Year Seven’) to the Commission and (2) submits its request for Commission approval of a shareholder award in the amount of \$106.1 million for SoCalGas’ GCIM [Gas Cost Incentive Mechanism] performance for that period....” A response to the application was filed by the Office of Ratepayer Advocates. Southern California Edison Company and the Southern California Generation Coalition (SCGC) filed a joint protest to the application, as did the California Industrial Group and the California Manufacturers & Technology Association.

Phase 2 of the Year Six GCIM proceeding, Application (A.) 00-06-023, is currently scheduled for evidentiary hearings for the end of November 2001. SoCalGas, the Office of Ratepayer Advocates, and The Utility Reform Network filed a motion in July 2001 for adoption of a proposed settlement. The following are the Phase 2 issues to be addressed in that proceeding:

Should the GCIM be extended into Year Seven with or without modification?

Should the GCIM be extended into Year Eight and beyond and, if so, what modifications are required based on the Energy Division evaluation that was issued on January 4, 2001, and on the results of the gas restructuring decision in Investigation 99-07-003?

SCGC filed a motion in A.00-06-006 seeking to reassign the Phase 2 issues to this proceeding. An Administrative Law Judge's ruling in A.00-06-023 was issued on August 14, 2001 which denied SCGC's motion to reassign the Phase 2 issues in A.00-06-006 to this proceeding.

SoCalGas states in the Year Seven application that if the proposed settlement in A.00-06-023 is approved, that SoCalGas' request for a shareholder award in this application will either be amended or withdrawn. The proposed settlement, if adopted, would apply to Year Seven and reduce the shareholder award from \$106.1 million to \$30.8 million. If the proposed settlement in A.00-06-023 is not adopted, SoCalGas intends to pursue its request in this application for a shareholder award of \$106.1 million.

At this point in time, the procedural schedule for this proceeding appears to be dependent upon what takes place in Phase 2 of A.00-06-023. In order to determine the most efficient method of processing this application, a prehearing conference will be held on October 29, 2001 at 11:00 a.m. in San Francisco to discuss the procedural schedule and the scope of issues to be considered in this proceeding.

IT IS RULED that:

1. A prehearing conference will be held on October 29, 2001 at 11:00 a.m. in the Commission's Courtroom, State Office Building, 505 Van Ness Avenue,

San Francisco, CA to discuss the procedural schedule and the scope of issues in this proceeding.

2. This ruling shall be served on the persons listed in Appendix A of this ruling.

Dated October 4, 2001, at San Francisco, California.

/s/ JOHN S. WONG

John S. Wong
Administrative Law Judge

APPENDIX A

J. Suwara Southern California Gas Company 555 West Fifth Street, 14th Fl. Los Angeles, CA 90013-1011	Judith L. Young Southern California Gas Company 555 West Fifth Street, 14th Fl. Los Angeles, CA 90013-1011
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Brian K. Cherry Pacific Gas and Electric Company 77 Beale Street San Francisco, CA 94105	

End of Appendix A

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling on all parties of record in this proceeding or their attorneys of record.

Dated October 4, 2001, at San Francisco, California.

/s/ JEANNIE CHANG

Jeannie Chang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.